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AUTHOR Sapp, Mary M.
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ABSTRACT

Experiences of the University of Miami's institutional research office, which produces three annual 5-year strategic plans, are reported. Attention is directed to official and unofficial functions of the institutional research office, lessons learned in the process, and suggestions for ways to minimize frustration and maximize usefulness. Institutions use strategic planning to set goals describing where the institutions wish to be strategically in relation to the competition and to develop action plans to position themselves there. Other features of strategic planning include: a focus on keeping in step with the changing environment; and consideration of rational and economic analysis, politics, and psychological interplay. Twelve lessons learned by the University of Miami in the last 4 years include: strategic planning is an art rather than a science; planning must be managed; commitment at the top must come early and continually; the plan is a "snapshot" of the planning process; strategic planners look outward as well as inward; and accountability is part of planning. Strategic planning has had a major impact on institutional research at the university; it has led to more research, which produces better planning. 9 references. (SW)

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STRATEGIC PLANNING:

WHAT'S IT REALLY LIKE?

Mary M. Sapp, Ph.D.

Director of Planning and Institutional Research

University of Miami

P.O. Box 248011

Coral Gables, FL 33124

305-284-3856

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STRATEGIC PLANNING:

WHAT'S IT REALLY LIKE?

As interest in strategic planning expands throughout higher education, institutional research offices are being integrated into the planning efforts. This paper relates the experiences of one institutional research office heavily involved in the production of three annual five-year strategic plans which have received national attention. The functions (both official and unofficial) of the institutional research office, lessons learned in the process, and suggestions for ways to minimize frustration and maximize usefulness are discussed.

STRATEGIC PLANNING

In response to the external pressures affecting universities and colleges today (e.g., demographic trends, initiatives from competing institutions, economic swings, government regulations, and technological improvements), many institutions of higher education have learned a lesson from the for-profit sector of society about the importance of planning to insure institutional success (Peters and Waterman, 1982). One such tool, strategic planning, has been defined as "the art of developing plans or strategies toward the realization of objectives and goals" (Green, Nayyar, and Ruch, 1979). Instead of merely extrapolating existing trends into the future, institutions use strategic planning to set goals describing where they wish to be strategically in relation to the competition and then to develop action plans to position themselves there. The process takes into account not only the strengths and weaknesses of the institution but also the institution's unique mission and those external forces that might affect the institution as it seeks to fulfill its mission.

Six Features of Strategic Planning

In a "textbook" describing the application of strategic planning to higher education, George Keller, the nation's leading authority on the application of strategic planning to institutions of higher education, outlines six features that distinguish strategic planning from other forms of planning (1983, pp. 143-152):

1. Institutions and their leaders are active rather than passive about their positions in history.
2. Strategic planning looks outward and focuses on keeping in step with the changing environment.
3. Academic strategy recognizes that higher education is subject to economic market conditions and strong competition.
4. Decisions are more important for strategic planning than are documents.
5. Strategic planning blends rational and economic analysis, politics, and psychological interplay; it is participatory and tolerant of controversy.
6. Strategic planning concentrates on the fate of the institution above everything else.

Ten Misconceptions

Keller also points out ten misconceptions about strategic planning (1983, pp. 140-142):

1. It is not a blueprint but rather a series of adjustments that follow a central strategy.

2. It is not a set of platitudes that could be applied to many institutions but rather specific statements that address the unique characteristics of a particular institution.

3. It is not the personal vision of the President or Board but a reflection of calculations about the economy, the institution's market, and regulatory considerations.

4. It is not a collection of department plans but rather a plan for the entire institution.

5. It is not done by planners but by line officers from all levels, assisted by the planner.

6. It is not a substitution of numbers for important intangibles but draws on subjective evaluations and intuitions supported by facts.

7. It is not a form of surrender to external trends but rather knowledge of what to expect so that the institution can develop optimal and creative responses to these trends.

8. It is not something done on an annual retreat but is an on-going process.

9. It is not a way of eliminating risks but, if anything, often increases risk taking.

10. It is not an attempt to read tea leaves and outwit the future, but a process to develop decisions based on the best evidence about forces that will affect the institution.

STRATEGIC PLANNING AT THE UNIVERSITY OF MIAMI

In December of 1983, the Office of Planning and Institutional Research at the University of Miami was reorganized and newly staffed in a first step by the President of the university to revive a strategic planning process that had bogged down. The following month, the President further demonstrated his seriousness about planning by informing the Board of Trustees that they would receive a formal planning document at their annual retreat to be held in April. Not only was the deadline met, but the plan was cited in Business Week (1984) as "one of the most definitive strategic plans" in higher education and commended by George Keller as one of the best he had seen. The three months prior to the Board

meeting proved to be a time of baptism by fire for a new Planning and Institutional Research Office staff, who learned a great deal about the university in a very short period.

Since that time, two other strategic plans have been developed (in the fall so that they can inform the budget process). The responsibilities of Planning and Institutional Research have varied from plan to plan, and the particular challenges and successes of each plan have been somewhat different each time. As a result, the three years of experience provide a useful basis for assessing the most effective role of an institutional research office in the planning effort.

Responsibilities For the First Plan

In 1983, each of the schools, colleges, and support areas of the university had been asked to produce a strategic plan for its own unit. In other words, the planning process had started out as a "bottom-up" process. In the three months prior to the presentation to the Board, however, the emphasis was on "top-down" planning. Clearly the impetus and sense of importance came from the President, who also wrote the mission statement and some guidelines for establishing academic priorities. The Provost's Office was initially assigned responsibility for developing the chapter of the plan detailing the internal environment (including an assessment of each school and college in the university) and the chapter listing goals and action plans for the entire university. Each of the deans and vice presidents developed a five- to ten-page summary of the unit plans developed the preceding year. A budget committee devised a financial plan linking the allocation of resources to priorities reflected in the mission statement and goals and action plans. The Office of Planning and Institutional Research was given the responsibility for writing the external environment, editing and coordinating the unit plans, and providing some of the data for the financial planning.

During March, the President became concerned that the internal environment and goals and action plans were not proceeding on schedule, and the Office of Planning and Institutional Research and an associate provost were asked to finalize the internal environment section in a single day. Fortunately, a series of graphs describing student demographics had been prepared in January using microcomputer

software (some of these graphs were prepared just so the new institutional research staff could learn about the university!). Other graphs using data from the National Center for Higher Education Management Systems Information Service--which compared the University of Miami with peer institutions on a variety of measures--had also been developed, originally for inclusion in the external environment section. These two sets of graphs provided the basis for an assessment of the strengths and weaknesses of the entire university to supplement the evaluation of each of the schools and colleges.

The quality and style of the plans prepared by each of the deans and vice presidents varied widely. One dean, for example, submitted a 28-page document, clearly a conflation of material submitted by his chairpersons. The President, who has some background in journalism, was interested in producing a well-written document with uniformity of style and suggested that Planning and Institutional Research hire an outside editor to edit the plans. Furthermore, a subgroup of three deans was asked to read the final document and edit it with an eye toward deleting any material that the university might not wish to have quoted in the media (some of the deans were quite zealous in their arguments for changes they wanted in their areas). A good editor was hired, but because he was not deeply involved in the university, on occasion he inadvertently changed the meaning of a dean's plan. Thus an additional responsibility arose for Planning and Institutional Research, namely, to edit the work of the editor, to send drafts back to deans and vice presidents for their approval, and at times to arbitrate disagreements between the editors and an author.

Two Subsequent Plans

The assignment of responsibilities has remained much the same for the two subsequent plans as it was for the first one. Although the Associate Provost now has ultimate responsibility for the internal environment chapter, Planning and Institutional Research has continued to work closely with the Provost's Office on that chapter, supplying data and drafting some of the sections of the chapter. It has also assumed responsibility for creating a calendar (and informing people when they fall behind schedule),

developing a five-year enrollment-projection model to tie into the budget projections, and, in the most recent plan, drafting the executive summary.

In addition to the chapters for the mission statement, external environment, internal environment, goals and action plans, five-year financial plan, and relevant exhibits, each of the two subsequent plans describes the status of action plans proposed in the previous planning document. A section outlining plans for capital projects was added to the second plan, and in the third plan the university decided to include in each document a special section focusing on one aspect of university life. This past year, the special section dealt with undergraduate education; in the fourth plan the focus will be on graduate education.

LESSONS LEARNED

During the past four years, the university has learned some important lessons about strategic planning. Twelve of these will be considered here.

Strategic Planning Is an Art, Not a Science

Lozier and Chittipeddi (1986) offered this apt observation regarding strategic planning:

> Despite the connotations conveyed by the term management science, strategic planning and decision making are not a science, in which we view planning as something to do right. Rather, we must regard planning as an art, in which the emphasis is on doing the right thing.

The conditions at each institution are unique; individuals involved in the planning process have different talents and interests. As a result, there is no simplistic set of rules for deriving a calendar, assigning areas of responsibility, and specifying a format for the document that will work for all institutions.

For example, Green et al. (1979) depict four phases of strategic planning: plan analysis, including the analysis of the external and internal environments of the institution; development of the mission statement and related broad-based objectives; determination of goals and corresponding action plans; and analysis of resource needs and expenditure strategies. At the University of Miami, responsibilities for

these tasks were assigned to different offices and often carried out in parallel or in a different order. For example, the President developed his mission statement before a formal analysis of the internal or external environments was begun. Furthermore, the distinctions between objectives, goals, and action plans were difficult to explain to everyone; so the University of Miami plan has only "goals" (similar to "objectives" in the Green et al. framework) and "action plans."

Planning Must Be Managed

Despite the "artistic" aspect of planning, it is important that an institution still be systematic in its approach to planning. A calendar--with contingency time at the end--must be drawn up and monitored. When input comes from a large group of individuals, the process will be much smoother if terminology is clearly defined and the format is not only stated in detail, but perhaps even rigidly specified. Sending each dean a "sample" plan, for example, was helpful. The process should also include input from as many areas of the institution as possible. At the University of Miami, Planning and Institutional Research managed the process for the Provost.

People Count, Not Titles

The assignment of responsibility should be more dependent on the talents and interests of the individuals involved than on their official titles. For example, in order to enhance the planning function, the Institutional Research Office, which had reported to the Provost's Office prior to 1984, was expanded to include planning and relocated in the Information Resources division, within the Business and Finance branch of the university.

Between the writing of the second and third plans, the university hired a new Provost who became very involved in strategic planning. The former Provost had been much more willing to delegate responsibility, which left Planning and Institutional Research, the Vice Provost, and the Budget Committee to make decisions about deleting material in the unit plans, formulating university-level goals, and determining budget concerns. The new provost, on the other hand, not only made the key decisions in each of

these areas during the strategic planning period last fall, but he also wrote the special section focusing on undergraduate life.

When the second plan was written, the Vice President for University Relations was asked to write the external environment because he has responsibility for a number of the external factors. Because of other commitments, he delegated the chapter to the Office of Media Relations; Planning and Institutional Research reassumed that responsibility when the third draft was written.

Commitment At the Top Must Come Early and Continually

There is one area, however, where the position of the individual is critical: The plan will have credibility only if it has the strong endorsement and leadership of the person at the top. At the University of Miami the impetus for strategic planning came from the President. Although the President delegated responsibility for the production of the document to the Provost and others, he set overall priorities.

One further comment about the planners involved: The University of Miami found that a simultaneous bottom-up and top-down approach to planning was effective (Lieberman, 1986). The bottom-up process is necessary not only to get the input from the faculty and line officers into the system, but also to produce a sense of ownership of the plan. A top-down approach is important, however, in order to set priorities that will assure the success of the whole institution. And these top-down decisions should be bold, not timid.

The Plan Is a "Snapshot" of the Planning Process

At the University of Miami, planning is a continuous process. The university's Long Range Planning Committee, chaired by the President and composed of around 40 key academic and business officers, meets monthly to discuss planning issues. In fact, some goals are set and implemented during the year between one document and the next. In addition to the three full-scale strategic plans, the University of Miami has also produced two short "strategic plan progress reports," in the springs of 1985 and 1986.

The formal exercise of putting ideas down on paper (which others then see and either agree or disagree with) forces a clarity and sense of purpose, however. Furthermore, by circulating and publicizing the document, the central decision makers can inform the entire community of their goals and priorities. At the University of Miami, the strategic plan is sent not only to the Board of Trustees but also to each department of the university, and it is summarized in student and alumni publications and in the Miami Herald. Given this diverse market, it is important not only that the plan be well written, but that supporting data be presented clearly. Thus more time is spent writing the executive summary than any other section of the report, and graphs are used to present the data.

Strategic Planners Look Outward As Well As Inward

Traditionally planners have focused on gathering data about the institution itself. Such data are clearly necessary if the decision makers are to have a realistic understanding of the strengths and weaknesses of the various academic units and the institution as a whole. Accurate financial data are especially important. A cost study developed at the University of Miami provided insight (and surprises) about the relative financial contributions of each of the academic units--ranging from a revenue surplus of 33 percent for one school to a 15 percent deficit for another school. As part of the ongoing planning study, the University of Miami has initiated new market research, enrollment-projection models, retention research, and other studies. Microcomputers have proven invaluable in developing projection tools.

A distinctive and important aspect of strategic planning, however, is the attention to data describing the environment outside the institution. The Board of Trustees and the Long Range Planning Committee are kept informed about developments in Washington and Tallahassee that could affect the University of Miami and are urged to do what they can to maximize the resources from both federal and state governments in particular.

Data about nearby institutions are reported so that planners can be sensitive to factors related to the university's competitive advantage, and data comparing the institution with its peers elsewhere are also invaluable. The University of Miami has recently joined the Higher Education Data Sharing Consor-

tium in order to have access to timely and comparable data. A recognition of the low endowment when compared with other major research institutions led to the decision to embark on a $400 million capital campaign drive--which will probably be realized in three years instead of the anticipated five years. The projected decline in high school students (WICHE, 1984) has prompted major changes in financial aid policies (see Morrell, 1986, for a discussion of alternatives).

It Is Harder to Handle a Shortfall Than a Windfall

It is probably important to monitor potential threats even more closely than possible opportunities. Historically, institutional research offices have concentrated on institutional data, but in today's competitive climate, they should start keeping complete files of 1) data from peer institutions, 2) past and projected trends in demographics, sources of revenue, and factors affecting costs, 3) anticipated changes in job markets and related programmatic needs, 4) developments in the local community, and 5) regulatory changes. In addition to monitoring the media, it is important to develop and interview key individuals within the institution who deal with external agencies. These people will often volunteer to forward reports that an institutional research office might not receive otherwise.

Real Plans Don't Ignore Resources

A vital--but at the same time difficult--task in planning is to link systematically the budget process to the goals and action plans developed (Nichols and Sharp, 1986). Tying the aspirations of the institution to the constraints of the budget forces the planners to set priorities and to be realistic about what can be accomplished. Deans and vice presidents have a responsibility to be advocates for the needs of their own areas and to ask for more resources in their unit plans; the central administration, on the other hand, has the responsibility to arbitrate among these needs and to delete from the plan any requests for expansion that are not consistent with overall priorities.

Because of limited resources and projected declining enrollments, institutions will need to concentrate on a limited number of areas and will not be able to be all things to all people. Clearly, having

to choose among programs is not easy--and certainly not popular with units that will have to tighten their belts. Strategic planning helps the decision makers to identify which goals that are best for the overall institution.

The University of Miami instituted incentive budgeting as a part of its first strategic plan and included projections of net surpluses/deficits for each of its schools and colleges over the next five years. The tables of projected trends of these surpluses/deficits indicated more clearly than prose could have expressed what the planning goals would be for each of the schools and colleges.

Accountability Is Part of Planning

Many planning documents end up on shelves, rarely consulted after their completion. One way the University of Miami has been able to assure accountability and continuity is by including a section describing the status of each of the goals proposed in the previous plan. This status section is included in the unit plans as well as in the plan for the overall university.

Each time a new plan is written, the planners must look back to the goals they had set earlier, assess progress, and decide whether these goals should be continued. If one unit's goals are consistently not met, or if items identified as major priorities are not accomplished, those responsible for their attainment can be encouraged and motivated to perform better. In order to be able to report the status, it is important that action plans be quantifiable. In other words, they should be stated in such a way that it is clear when they have been accomplished--they should not always be "on-going."

Planning for Change May Require a Change in Plans

If, as Keller asserts, strategic planning involves taking risks, an institution must be willing to adapt its plans. Because the University of Miami was very specific in its financial projections, it is easy to see whether the schools and colleges are currently on schedule in meeting their targets. Some are; many are not.

The projections have not been attained for several reasons. Some of the deans were less tough, entrepreneurial, and serious about planning. In addition, overall surprises have occurred. During the last three years, major changes in recruiting policies and financial aid awarding algorithms caused an enrollment surplus, followed by an enrollment deficit, followed by a financial aid budget deficit. The incentive budget formula for allocating financial aid costs and tuition income has been modified so as not to penalize the schools with the brightest students (and therefore the highest financial aid). Furthermore, ambitious projections for graduate student enrollment in the first plan have been scaled down. These changes, however, reflect a modification in the timetable rather than a change in the overall direction set forth in the first plan.

Plan to Play Leapfrog, Not Catch-Up

By assessing where the institution is now and what forces will affect higher education in the future, an institution can learn to recognize and even anticipate windows of opportunity, to minimize vulnerability to adverse trends, and to capitalize on potentials for new opportunities. No institution can be the best in every field or even on the cutting edge of every breakthrough. There are advantages to being an "early follower," however. Smart early followers will not try to position themselves where the leaders are now, but rather will aim for where they think the leaders are headed. In other words, they will leapfrog, skipping the current stage in order to concentrate resources on where they think the future will be.

Such a strategy obviously makes sense in deciding which existing programs should be emphasized or which new programs should be initiated. The same approach holds in making decisions about technology: It might be wiser to wait a year or two in order to take advantage of an anticipated technological breakthrough rather than to commit resources to an existing technology that will soon be out of date.

Planning Identifies Niches

In this competitive time, an institution's goal should not be to build programs which are just like everyone else's. Instead, programs should be distinctive and designed to fill the needs of the future, not just continue the traditions of the past. If planners are wise in reading the environment, they can be proactive, not reactive. It is especially important to recognize distinctive teaching and research opportunities arising from the surrounding environment. In Miami, for example, these include international studies (especially Latin America), marine science, tropical biology and medicine, and gerontology.

An analogy from the computer software world is helpful here. Sometimes the first company to introduce a line of software will dominate the market, but at other times an early follower that has studied the needs of the users will achieve success by tailoring new technologies to these needs rather than by merely duplicating the other product. Institutions of higher education can do the same thing.

CONCLUSION

Strategic planning has had a major impact on institutional research at the University of Miami. In addition to its involvement in the preparation of the strategic plan document, the office has been called upon to undertake studies to support the decision-making process. Sometimes it seems that the preparation of the document takes a disproportionately large amount of time, but the undertaking gets easier each time (for one thing, the third strategic plan is half as long as the first one).

Because it has become a hub for the flow of ideas and data, the institutional research office has been able to facilitate communication among the different units of the university. Furthermore, by being so closely involved in the planning process, the office is more sensitive to priorities when it does other research. Thus strategic planning leads to more research, and more research produces better planning.

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